

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

MERRILL ROBERTSON, JR., SHERMAN C.
VAUGHN, JR., and CAVALIER UNION
INVESTMENTS, LLC,

Defendants.

Case No. 3:16-cv-667 (JAG)

**PLAINTIFF SECURITIES AND EXCHANGE COMMISSION’S MOTION FOR ENTRY OF
DEFAULT AGAINST DEFENDANT SHERMAN C. VAUGHN, JR.
PURSUANT TO FEDERAL RULE OF CIVIL PROCEDURE 55(a)**

Pursuant to Rule 55(a) of the Federal Rules of Civil Procedure, Plaintiff Securities and Exchange Commission (“SEC”) respectfully asks the Clerk of Court to enter the default of defendant Sherman C. Vaughn, Jr. (“Vaughn”). (Vaughn is not an infant or incompetent, and is not in the military.) Pursuant to Rule 4 of the Federal Rules of Civil Procedure, Vaughn waived service of the summons on September 15, 2016. The Waiver of Service of Summons executed by Vaughn was filed that same day. (Docket No. 7, attached as Exhibit 1 to Declaration of John V. Donnelly III.) The next day, September 16, 2016, Vaughn entered into a plea agreement with the United States in the parallel criminal case, *United States v. Vaughn*, No. 16-cr-111 (E.D. Va.) (Criminal Docket No. 9, attached as Exhibit 2 to Donnelly Declaration), which arose out of the same facts and circumstances as this civil enforcement matter. Vaughn pled guilty to conspiracy to commit mail fraud and making an unlawful monetary transaction. He has not yet been sentenced.

On November 18, 2016, the Court granted the United States' motion to intervene and to stay discovery and proceedings in this civil case. (Docket No. 26.) The Court lifted the stay on August 18, 2017, after the jury in *United States v. Robertson*, No. 3:16-cr-133 (E.D. Va.) found defendant Merrill Robertson guilty of all charges. (Docket No. 29.) Although the time for doing so has passed, Vaughn has not filed an answer or otherwise responded to the Complaint.

Accordingly, Plaintiff SEC respectfully requests that the Clerk of the Court enter default against Vaughn.

Respectfully submitted,

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UNITED STATES ATTORNEY

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Attorneys for Plaintiff: Plaintiff Securities and
Exchange Commission

Dated: November 21, 2017

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of November, 2017, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system, which will send a notification of such filing (NEF) to the following:

Allison Baker Shealy
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I also hereby certify that I have arranged for the foregoing to be mailed this same day by first class mail to:

Sherman Carl Vaughn, Jr.
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Blackstone, VA 23824

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/s/

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